

Virginia Department of Business Assistance

FISCAL YEAR 2004 REPORT

EXISTING BUSINESS SERVICES

The Existing Business Services team (EBS) continues to meet the demands of Virginia's changing business marketplace. As DBA's division for business information and assistance, EBS answered 21,886 requests for assistance from Virginia's business community in fiscal year 2004 - a 112% increase from the previous year. Due to the accessibility of this service and increased promotion, significantly more statewide businesses have had their questions answered and problems solved through the Virginia Business Information Center (VBIC) - an easy to access clearinghouse for all state business information.

HIGHLIGHTS

21,886 requests for assistance --
a 112% increase

431 WBE certifications --
a 33% increase
new multilingual offering

In addition, the EBS Outreach team continued efforts to market DBA's services throughout the Commonwealth. DBA's Women's Business Enterprise program certified 431 women-owned businesses in Virginia this year - a 33% increase. This program will now be administered through the Virginia Department of Minority Business Enterprise (DMBE). EBS will continue to

assist small, women and minority-owned businesses with procurement opportunities as the Commonwealth attempts to broaden their participation in state purchasing.

The EBS Multilingual Program began in September 2003 and continues to develop an effective network within several, fast-growing, limited English markets through which our services have been offered.

FINANCIAL SERVICES

DBA's Financial Services division administers the Commonwealth's business financing assistance programs through the Virginia Small Business Financing Authority (VSBFA). During fiscal year 2004, the VSBFA administered \$51 million in financing for the direct benefit of 145 Virginia businesses - resulting in the creation 1,643 jobs.

To market the programs and services of the VSBFA and DBA, presentations and site visits to 146 groups and businesses were held throughout the state. Nearly 2,000 requests for financing assistance were received through the Financial Services division. Requests ranged from individuals and business owners seeking information about government loan guarantees and direct loans, to assistance for economic developers in structuring and participating in complex, multi-million dollar financing packages for business expansions or recruitment to the Commonwealth.

HIGHLIGHTS

\$51M in financing administered
for 145 businesses
= 1,643 jobs
new TCAP offering

During fiscal year 2004, the Board of the VSBFA enhanced its loan guarantee program to increase the cap on guarantees from \$300,000 to \$500,000 and embarked on a new credit enhancement program in partnership with the Southside region of the Virginia Tobacco Commission. The program, known as the Tobacco Capital Access Program (TCAP), reduces the lending risk of banks operating in the Southside Tobacco communities of Virginia, thereby encouraging them to increase their lending activity in Southside Virginia in an effort to create more jobs.

SMALL BUSINESS INCUBATOR PROGRAM

The Virginia Small Business Incubator Program provided grants to local and regional non-profit groups to establish and operate small business incubators. The program awarded them on a competitive basis, to be used for feasibility studies, program support, or construction and renovation. During fiscal year 2004, DBA awarded grants to 16 different organizations for \$393,040 in state dollars, matched by \$1,716,625 in local and private dollars and \$482,320 in federal dollars. Three of the projects were for feasibility study grants and the other 13 were for operational support.



Since the beginning of the program, DBA has provided \$4.17 million in grants to help establish 28 small business incubator and satellite facilities in all parts of the state. These state funds have been matched by \$12 million in federal funds and \$14.4 million in local government, regional organization and private sector funds.

HIGHLIGHTS

more than 400
businesses developed
through Virginia's
Incubator Network

The Virginia incubator network currently houses 259 businesses that employ more than 712 full-time employees and 124 part-time employees. Over 28% of these businesses are minority-owned and 27% are women-owned. Currently, 160 companies with a total of 1,969 employees have graduated from these incubators.

WORKFORCE SERVICES

Workforce Services staff assisted 507 companies during fiscal year 2004. This 49% increase in projects from last year provided training for 16,242 Virginians. The Workforce Services division works with new and existing companies to provide customized recruitment and training to qualified workers at all skill levels for newly created jobs. Staff offers consulting services for companies implementing soft-skill, continuous improvement, and specialized training programs. Virginia receives a 100% return on investment for this program from the trained worker within six months.

Workforce Services launched two new programs in fiscal year 2003 that continued through this fiscal year because of their tremendous success. The Small Business New Jobs Program supports existing Virginia companies that have 250 employees or less company-wide and are hiring at least 5 new full-time employees and making a capital investment of at least \$100,000. DBA worked with 181 companies in this program, helping create 1,268 new jobs in fiscal year 2004. The Retraining Program provides services and funding to existing Virginia businesses that are retooling and installing new technologies to meet market demands. DBA worked with 113 companies in this program to help retrain 6,674 jobs in fiscal year 2004.

HIGHLIGHTS

507 companies assisted --
a 49% increase
2 new program offerings

OTHER AGENCY ACTIVITIES

Virginia Economic Development Seminars - DBA hosted half-day seminars each quarter where members of Virginia's business and economic development communities met for professional development, networking and discussion on the latest trends. This year's timely topics included agribusiness, homeland security preparedness and procurement opportunities, Virginia General Assembly legislative session results and state procurement opportunities for small, women and minority-owned businesses. These seminars continue to be important venues for networking and knowledge.

HIGHLIGHTS

Save-The-Date for
2005 Business & Economic
Development Seminars:
March 23
June 22
September 14
December 8

Save-The-Date for
BAW 2005 to be celebrated
the week of May 15-21

Business Appreciation Week - Each year the Department of Business Assistance coordinates Business Appreciation Week - a state-wide effort to acknowledge the contributions Virginia businesses make to our economy and quality of life. This year, "Together We Make a Difference" was the chosen theme, recognizing that each business is an integral piece of the Virginia business puzzle. Through the collective efforts of Virginia's diverse business community, our Commonwealth continues to be ranked among the top states in which to start and expand a business.

Business of all sizes and industries were celebrated on May 16-22, 2004, both locally and regionally, with events including the Governor's kick-off breakfast. DBA also offered a variety of resources including helpful marketing materials and ideas to help local event coordinators make their Business Appreciation Week activities successful.

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The Virginia Department of Business Assistance (DBA) is the only state agency devoted solely to the growth and success of business and industry throughout the Commonwealth. Our mission is to serve as state government's principal point of communication with the Virginia business community.

We are the one stop businesses need to make to access resources that maximize the potential for success.



www.dba.state.va.us